

HOW TO CARE FOR THE CIA ORPHANS

ONE of the biggest questions in Washington these days is what to do about "the orphans." In current capital usage, the orphans are the nearly 100 private agencies that had been getting CIA money and were left high and dry by the White House order that all such undercover support must cease—preferably by year's end. Whatever the merits or demerits of the CIA's methods, most of these groups served the U.S. well in its contest for the faith and understanding of the world's workers and thinkers, students and teachers, refugees from yesterday and leaders of tomorrow.

The organizations—which had received the funds, often unwittingly, through dummy foundations—were orphaned in the wake of the *Ramparts* magazine exposé of the CIA's connection with the National Student Association. This led to the appointment of a presidential commission, headed by Under Secretary of State Nicholas Katzenbach, to figure out how the gap left by the CIA should be filled. Ever since, new information about the CIA's past activities has continued to surface. Last week Thomas Wardell Braden, a politically ambitious former California newspaper publisher who served with the CIA between 1950 and 1954, added further details. In an article in the *Saturday Evening Post*, Braden indignantly defended the CIA against charges that it had been "immoral" by recording some of the extremely useful things it accomplished early in the cold war.

Question of Secrecy

He recalled giving money to Irving Brown, of the American Federation of Labor, "to pay off his strong-arm squads in Mediterranean ports, so that American supplies could be unloaded against the opposition of Communist dock workers." Braden said that CIA funds also went to Victor Reuther, brother and assistant of President Walter Reuther of the United Automobile Workers, and to Jay Lovestone, of the International Ladies' Garment Workers' Union, for the purpose of helping various anti-Communist unions abroad. His article is highly self-flattering and oversimplified, but most of his statements appear to be correct. A.F.L.-C.I.O. President George Meany called Braden's account "a damn lie"—but added cautiously, "to the best of my knowledge."

Braden also reported that the CIA had helped finance the anti-Communist Congress for Cultural Freedom and, through it, several intellectual magazines, including *Encounter*, a U.S.-British monthly. Braden added that a CIA agent had become an *Encounter* editor (this also was denied). Complaining that they had been deceived

by past denials of CIA support, Editors Frank Kermode and Stephen Spender resigned.

Indignation about the CIA, including mutterings about "corruption," contained a lot of real or feigned naiveté, as well as some deliberate malice toward U.S. policy. Still, there are legitimate issues at stake. Few deny the U.S. Government's right to carry on secret operations. The question is whether, in a free society, it is right, wise—or necessary—for supposedly independent organizations to receive secret subsidies.

It is generally agreed that the activities of the groups supported by the CIA were distinct from its hard-core intelligence functions and from major field operations—although occasionally the lines were blurred. The degree of outright CIA influence varied widely. In the case of the National Student Association—which has made the fullest disclosures—the influence was considerable. Leaders were selected by the CIA at the end of an all-expense-paid, 14-week international seminar; positions on international issues were carefully guided by well-informed arguments and background papers based on CIA information. On occasion, N.S.A. members were used for marginal, low-key intelligence work—an appraisal of the Marxist leadership in Bolivian universities, an analysis of Dominican student attitudes during the crisis of 1965.

In a few situations, perhaps, mere aid or propaganda functions turned into full-fledged political operations—as in the violent general strike that helped bring down the government of pro-Marxist Cheddi Jagan in British Guiana three years ago. It was financed by the CIA-backed Public Services International, whose ostensible aim was to organize government workers into independent unions around the world.

But often the CIA merely supplied money to ensure an American "presence" and made no attempt to influence policy. Says British Author Colin MacInnes of *Encounter*: "Were we corrupted by American money? *Encounter* let me say things which other publications didn't want to know about, and they never touched a word. All I can say is, if the money was coming from the CIA, why in the bloody hell didn't they pay us a bit more?"

Was—or is—secrecy necessary in most such operations? At the time they started, it certainly was—largely because of the very real, all-too-easily dismissed threat from Communist subversion or front organizations, which had to be countered with the free world's own fronts. At the same time, it was also necessary to counter American naiveté. The State Department,

for example, was working to set up an international labor federation including Communists (who eventually took it over), while the CIA was battling undercover for anti-Communist unions. Liberal opinion denounced cold war measures as hysterical, while conservative opinion denounced any Government agency dealing with the non-Communist left as playing footie with Reds. Only the CIA had the imagination and the funds for programs that Congress would never have approved.

Risk of Exposure

As the nature of the cold war changed, secrecy became far less defensible. It distorted the aims and the democratic workings of some of the organizations; above all, it risked exposure with resulting loss of prestige and credibility. No matter how praiseworthy the CIA's aims or how minimal its influence, once the link was revealed, people who had thought themselves part of a private organization supported by their work and contributions were bound to feel duped. Considering the almost evil-eye reputation that the letters CIA have acquired (however unfairly), it was needlessly risky for the agency to support outfits that could obtain money in some other way—or that did not need money at all. It is still unclear, for instance, why the CIA apparently funneled small contributions to the National Council of Churches, which it did not seek to influence and which had ample money sources. Even the purest scholarship was called into question when it was learned that M.I.T.'s prestigious Center for International Studies had been heavily CIA-subsidized till last year.

Ironically, one reason that secrecy became increasingly useless was the fact that more and more people abroad assumed the U.S. Government to be behind various projects anyway. And at home, there are signs that the end of secrecy will greatly clear the air. Only two college groups have quit N.S.A.—but 26 others have joined.

There is always a chance that the ingenious CIA will find new ways of secret funding (some of the organizations it has been backing have not yet been named publicly). But if for most of the "orphans" secrecy is no longer required, who is to be their guardian? One possibility is a new separate Government agency. But this would be cumbersome, involved in red tape and congressional battles. A second possibility, which has been advocated in Washington, is to distribute the organizations among existing Government agencies. While a few could probably be thus absorbed, this is no solution for the majority, because they would lose their important private impact. Many of the activities involving leadership training or nation building might well be denounced as interference in other countries' internal affairs if carried on by the State Department or AID.

Recommended by Katzenbach's com-

mittee is "a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support." Exactly how such a mechanism should function and what its scope should be are questions so far unanswered. A plan is to be produced by yet another committee under the direction of Secretary of State Dean Rusk. The best Washington thinking now tends toward a semiautonomous foundation with some of these features: a predominantly private board of directors initially appointed by the President but self-perpetuating; a link to Congress resembling that of the Smithsonian Institution, which is subject to review but has a fairly stable budget; a resemblance to the British Council in its concern with cultural activities abroad and to the National Academy of Sciences in its ability to recruit respected names in various fields for consultation; and a strong research or think-tank component.

The True Ideology

Such a foundation's most difficult and elusive task would be to wed public policy and private initiative, to maintain a link with the Government without becoming bogged down in bureaucracy or timidity. For in retrospect, perhaps the CIA's most important contribution was not money but unconventional and imaginative ideas, notwithstanding failures. If the new "mechanism" can steer between a too specific, outdated cold war orientation, on the one hand, and an aimless benevolence on the other, it has a truly exciting chance not merely to provide shelter for the orphans but to modify the entire pattern of America's self-projection in the world.

There is need for a philosophical framework for all the U.S. cultural, educational, economic and propaganda activities that are presently scattered, conflicting and unwieldy. Short-term and long-term aims are often confused. The USIA, for instance, which is supposed to promote the U.S. image abroad, is frequently in conflict with State's Educational and Cultural Affairs Bureau, which is supposed to promote longer-range cultural and educational exchanges. It has been suggested that the new body should take over such existing cultural functions; more probably, it should only help rationalize them.

For the rest, it should be concerned with carrying one of the best features of American life, the voluntary organization, into the foreign field—something that has been called "private international relations." It should worry less about day-to-day crises than about the ultimate U.S. interest: the development of human resources through education, economics and politics, for that is the true American ideology. Thus the new agency might well be the best face that America can turn toward the world—and transform the embarrassment of the CIA disclosures into a major forward step.

TIME, MAY 19, 1967

Stocks that go up!

Investors love them.

Ask anybody who bought Polaroid at \$50, Texas Instruments at \$35, or IBM at \$200.

The big problem?

Finding them. Because success stocks like those come few and far between.

Still, that's just what our Research Division tries to accomplish for investors with our brand new booklet "GROWTH STOCKS."

Here, in 48 pages of fascinating reading, Research points to the tremendous potential for growth in the general economy—predicts that our gross national product will jump from 750 billion dollars this year to more than a trillion dollars in less than a decade.

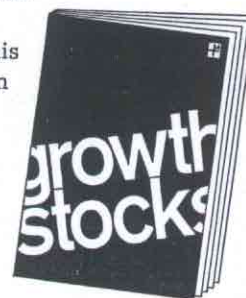
Which industries—and companies—stand to benefit most from that growth?

Nobody knows for sure, of course.

But Research singles out cosmetics, chemicals, publishing, photography, drugs, office equipment, and electronics as those industries that should lead the way in profits, and it explores each one in detail to tell you exactly why.

After that, you'll find individual investment digests on more than 50 selected companies with stand-out prospects within those same industries—enough facts and figures to help any investor reach a sensible decision for himself.

There's no charge for "GROWTH STOCKS" of course. A copy is yours for the asking if you call, come in, or simply mail this coupon—



S-39

Please send me a copy of GROWTH STOCKS.

NAME _____

ADDRESS _____

CITY & STATE _____ ZIP _____

YOUR PHONE NO. _____



**MERRILL LYNCH,
PIERCE,
FENNER & SMITH INC**

MEMBERS NEW YORK STOCK EXCHANGE AND OTHER PRINCIPAL STOCK AND COMMODITY EXCHANGES
70 PINE STREET, NEW YORK, N.Y. 10005